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REMARKS

The Applicants would like to thank the Examiner for the quick and courteous final Office Action and the quick and courteous Advisory Action. The claims remaining in the application are 1-12 and 14. Claims 1 and 7 are amended herein. No new matter is introduced.

The Applicants again greatly appreciate the Examiner's allowance of claims 8 through 12 and 14. The Applicants also are very grateful for the indication in the Advisory Action that the rejection over Gupta was overcome, although the Applicants believe the Examiner meant Patel, et al., as this was the only other reference besides GB '067.

35 U.S.C. §102(b) Rejection Based on GB 2131067

The Examiner has rejected claims 1, 4, 5 and 7 under 35 U.S.C. §102(b) as allegedly being anticipated by GB 2131067.

The Examiner finds that GB '067 teaches an oil-based drilling fluid which comprises a hydrocarbon, a latex and an emulsifier within the scope of the present invention, referring to the examples and page 1, line 57 to page 2, line 4; and that Applicants' intended use in sand formations allegedly does not distinguish over the prior art.

In response to the Applicants' previous arguments, the Examiner noted that they were considered but not deemed persuasive. The Examiner noted that the Applicants argued that the latex of GB '067 and Patel are not deformable. The Examiner contends that the same polymers are used in the present invention as in GB '067 and Patel, et al., and thus such must be able to form a deformable latex as in the present invention.

Although GB '067 adds an emulsifier, the Examiner notes so does the present invention. The Examiner asserts that an emulsifier will stabilize the latex system to some extent in both GB '067 and the present system. One of the properties of the GB '067 system is the prevention of fluid loss. The Examiner finds that the polymer would have to contact the formation in order to prevent fluid loss, and thus all of the polymer of GB '067 cannot stay in the fluid. The Examiner believes that under various conditions of temperature and pressure that almost all latexes would be capable of being deformed. Since no specific conditions are given for the deformation, such ability to deform is not seen as distinguishing by the Examiner.

In response to the reply filed 09 June 2006, the Examiner noted in the Advisory Action that the request for reconsideration was considered but does NOT place the application in condition for allowance because GB '067 allegedly teaches a polymer PD6 used in the examples which is a styrene-butadiene copolymer containing carboxylic acid groups. The Examiner asserts that such anticipates the carboxylated styrene/butadiene of claim 1. Furthermore, the Examiner finds that the teaching of polymers of butadiene, isobutylene, and ethylene/propylene would render analogous polyethylene obvious to one of ordinary skill in the art.

The Applicants hereby respectfully traverse.

A patent claim is anticipated, and therefore invalid, only when a single prior art reference discloses each and every limitation of the claim. *Glaxo Inc. v. Novopharm Ltd.*, 52 F.3d 1043, 1047, 34 U.S.P.Q.2d 1565 (Fed. Cir.), cert. denied, 116 S.Ct. 516 (1995).

The Examiner's attention is respectfully directed to the fact that independent composition claim 1 has been amended to recite that the polymer particles are taken from the specific list, namely the list of dependent claim 4, with the exceptions that *polyethylene, carboxylated styrene/butadiene, natural latex and isoprene* are no longer recited. Since this abbreviated list was present in claim 4 as originally filed, its recitation in claim 1 does not constitute an improper insertion of new matter. Claim 4 was modified accordingly in the June 9, 2006 Amendment. The Examiner's attention is also respectfully directed to independent composition claim 7 where *polyethylene, carboxylated styrene/butadiene, natural latex and isoprene* have been deleted from the recited list as well. The removal of these particular components is without prejudice to Applicants' right to present such components at a later date in a continuing application.

The Applicants respectfully submit that the single GB '067 reference does not disclose each and every limitation of the claims, since GB '067 does not disclose the list of recited latexes in independent claims 1 and 7 as amended herein. The Examiner's attention is respectfully directed to the list on page 2 of GB '067, lines 1-3.

Reconsideration is respectfully requested.

35 U.S.C. §103(a) Rejection Based on GB 2131067

The Examiner has rejected claims 1, 2, 3, 5 and 6 under 35 U.S.C. §103(a) as allegedly being obvious from GB 2131067.

GB '067 is as described above. The Examiner admits that GB '067 differ in that the specific size of the latex particles is not disclosed. The latex in the reference is seen to be used in fluid loss control. The Examiner contends that it would be obvious to one of ordinary skill in the art to vary the size of the latex particles of GB '067 in order to optimize the fluid loss control of such particles, in various formations encountered while drilling.

The Applicants must again respectfully traverse. To support an obviousness rejection, the Examiner has the initial burden of establishing a *prima facie* case of obviousness of the pending claims over the cited prior art, *In re Oeticker*, 977 F.2d 1443, 1445; 24 U.S.P.Q.2d 1443 (Fed. Cir. 1992). Applicants respectfully submit that the Examiner has not established such a *prima facie* case for the claims amended herein.

The Applicants would again respectfully note that claims 1 and 7 and claims dependent thereon specify that the polymer is selected from the specific list discussed above, and that GB '067 does not disclose, teach or suggest the polymers from this list.

Again, Applicants respectfully submit that there is nothing in the prior art that suggests the desirability of using the recited polymers in the claimed invention, as amended, and thus a *prima facie* obviousness rejection is not supported. For this reason, it is respectfully submitted that the subject rejection must be withdrawn. Reconsideration is respectfully requested.

Request for Entry of Amendment

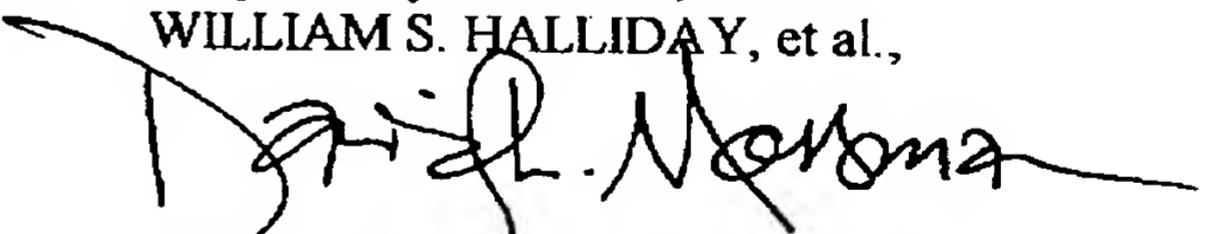
The Applicants would respectfully submit that the instant Amendment be entered under 37 CFR §1.116(b): "Amendments presenting rejected claims in better form for consideration on appeal may be admitted." It is respectfully noted that the scope of the polymers recited in the claims has been significantly narrowed still further herein. It is respectfully submitted that for this reason alone, which simplifies and narrows the issues

and places the claims in better form for consideration on appeal, the instant Amendment should be entered.

Further, the Applicants would respectfully submit that the instant amendment be entered under 37 CFR §1.116(c): "If amendments touching the merits of the application or patent under reexamination are presented after final rejection, or after appeal has been taken, or when such amendment might not otherwise be proper, they may be admitted upon showing of good and sufficient reasons why they are necessary and were not earlier presented." The Applicants submit that the reason why the amendments are necessary and were not earlier presented is simply because the Applicants had a *bona fide* belief that the fluid composition claims would be allowed for the reasons presented in the December 13, 2005 Amendment (which the Applicants still believe are valid) and the June 9, 2006 Amendment (which overcame the Patel, et al. rejections). For the Applicants to have any hope of being assured of a chance to address the instant rejections, the amendments and arguments herein must be entered and considered.

It is respectfully submitted that the amendments and discussion presented above overcome the rejections and place the claims in condition for allowance. Reconsideration of the rejections, and reconsideration and allowance of the claims are respectfully requested. The Examiner is respectfully reminded of his duty to indicate allowable subject matter. The Examiner is also invited to call the Applicants' attorney at the number below for any reason, especially any reason that may help advance the prosecution.

Respectfully submitted,
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